

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2019-387-A**

**Rulemaking Proceeding for the Purpose of  
Promulgating a Regulation to Help Prevent  
the Potential for Misleading  
Advertisements by Prohibiting the Sale of  
Customer Data by Regulated Utilities  
Absent a Customer's Direct Consent  
(See Commission Order No. 2019-877)**

**DIRECT TESTIMONY  
OF CRAIG SORENSEN**

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.   My name is Craig Sorensen, P.E. My principal place of business is 1710 Woodcreek Farms  
3       Road, Elgin, South Carolina 29045.

4   **Q.   WHAT IS YOUR CURRENT POSITION?**

5   A.   I am President for SouthWest Water Company's business in Alabama, Florida, and South  
6       Carolina.

7   **Q.   WHO ARE SOUTHWEST WATER'COMPANY'S REGULATED AFFILIATES IN**  
8       **SOUTH CAROLINA?**

9   A.   Kiawah Island Utility, Inc; South Carolina Water Utilities, Inc., South Carolina Water  
10       Utilities-CUC, Inc, South Carolina Water Utilities-PUI, Inc., and Palmetto Wastewater  
11       Reclamation, Inc. are affiliates of SouthWest Water Company regulated by the South  
12       Carolina Public Service Commission. I will collectively refer to them as the "S.C.  
13       SouthWest Water Companies."

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1   **Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2    A.    I am testifying about the S.C. SouthWest Water Companies' policy for protecting,  
3       disclosing, and sharing customer information with third parties in compliance with S.C.  
4       Code Reg. 103-823.2 (the "Privacy Policy").

5   **Q.    HAVE THE S.C. SOUTHWEST WATER COMPANIES SUBMITTED THEIR**  
6       **PRIVACY POLICY IN THIS DOCKET?**

7    A.    Yes, we filed a Privacy Policy for the companies on November 24, 2021. I have also  
8       attached a copy to my testimony as Exhibit A for the Commission's convenience.

9   **Q.    DOES THE S.C. SOUTHWEST WATER COMPANIES' PRIVACY POLICY**  
10       **COMPLY WITH THE COMMISSION'S REGULATIONS?**

11   A.    Yes, it does.

12   **Q.    DOES THE PRIVACY POLICY RELY ON THE SAME DEFINITIONS OF REG.**  
13       **103-823.2.**

14   A.    Yes, the Privacy Policy adopts the definitions in Subsections 103-823.2.A and B nearly  
15       verbatim.

16   **Q.    DOES THE PRIVACY POLICY COMPLY WITH THE CUSTOMER CONSENT**  
17       **REQUIREMENT IN THE REGULATION?**

18   A.    Yes, the Privacy Policy adopts each requirement of Subsection 103-823.2.C.

19   **Q.    WILL THE S.C. SOUTHWEST WATER COMPANIES COMPLY WITH THE**  
20       **REGULATION'S REQUIREMENTS FOR DISCLOSURE OF DATA BY THIRD-**  
21       **PARTY PROVIDERS?**

1 A. As required by Subsection 103-823.2.D and included in the Privacy Policy, the S.C.  
2 SouthWest Water Companies will require any third-party provider to first obtain a  
3 customer's consent before using the customer's data for a secondary commercial purpose.

4 **Q. ARE THE EXCEPTIONS IN YOUR PRIVACY POLICY CONSISTENT WITH**  
5 **THE REGULATION?**

6 A. Yes. The Privacy Policy adopts the exceptions in Subsection 103-823.2.F almost verbatim.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes. The S.C. SouthWest Water Companies respect their customers' privacy and  
9 commend the Commission for promulgating Regulation 103-823.2.

**EXHIBIT A**



**South Carolina  
Water Utilities**

**A SouthWest Water Company**

## **CUSTOMER DATA PRIVACY & PROTECTION POLICY**

**Effective Date: November 24, 2021**

## A. DEFINITIONS OF KEY TERMS.

(1) **Aggregated Data.** The term "aggregated data" means customer data, alone or in combination with non-customer data, resulting from processing (e.g., average of a group of customers) or the compilation of customer data from which all unique identifiers have been removed. Aggregated data which has been aggregated to a degree that individual customer information is not identifiable shall not be considered "customer data."

(2) **Commission.** The term "Commission" means the Public Service Commission of South Carolina.

(3) **Customer Data.** For purposes of this section, "customer data" means data about a current or former customer's water or wastewater usage; information that is obtained as part of an advanced metering infrastructure; and personal identifying information, as defined in S.C. Code Ann. Section 39-1-90(D)(3) and S.C. Code Ann. Section 16-13-510(D), as may be amended, including the name, account number, billing history, address of the customer, email address, telephone number, and fax number, in the possession of electric, natural gas, water or wastewater public utilities. Also, "customer data" means non-public retail customer-specific data or information that has been obtained or compiled by SCWU in connection with the supplying of Commission-regulated water or wastewater services. Customer data includes data or information that is: (a) collected from the meter, by SCWU, and stored in its data systems for billing purposes; (b) customer-specific usage information for regulated public utility service; (c) about the customer's participation in regulated public utility programs, such as renewable energy, demand-side management, load management, or energy efficiency programs; or (d) any other non-public information specific to a customer that is related to electricity consumption, load profile, or billing history.

(4) **Non-Public Utility Operations.** The term "non-public utility operations" means all business enterprises engaged in by SCWU that are not regulated by the Commission or otherwise subject to public utility regulation at the state or federal level.

(5) **Primary Purpose.** The term "primary purpose" means the acquisition, storage or maintenance of customer data by SCWU, as defined by Title 58 of the South Carolina Code, which provides services pursuant to state law, federal law, or Order of the Commission.

(6) **Secondary Commercial Purpose.** The term "secondary commercial purpose" means any purpose that is not a primary purpose.

(7) **SCWU.** As used in this document, SCWU refers to any and all regulated subsidiaries of SouthWest Water Company providing water or wastewater utility service in the State of South Carolina.

(8) **Third Party.** The term "third party" means a person who is not the customer, nor any of the following: (i) an agent of the customer designated by the customer with SCWU to act on the customer's behalf; (ii) a regulated public utility serving the customer; or (iii) a contracted agent of SCWU. For purposes of this regulation, "third party" includes any non-public utility operations or affiliate of SCWU.

(9) **Unique Identifier.** The term "unique identifier" means a customer's name, account number, meter number, mailing address, telephone number, or email address.

**B. CUSTOMER CONSENT.**

(1) SCWU shall not share, disclose, or otherwise make accessible to any third party a customer's data, except as provided in subsection (E) or upon the consent of the customer.

(2) SCWU shall not sell a customer's data for any purpose without the consent of the customer.

(3) SCWU or its contractors shall not provide an incentive or discount to the customer for accessing the customer's data without the prior consent of the customer.

(4) Before requesting a customer's consent for disclosure of customer data, SCWU shall be required to make a full disclosure to the customer of the nature and scope of the data proposed to be disclosed, the identity of the proposed recipient and the intended use of the data by the proposed recipient.

**C. THIRD-PARTY CONTRACTORS.**

(1) If SCWU contracts with a third party for a service that allows a customer to monitor the customer's usage, and that third party uses the data for a secondary commercial purpose, the contract between SCWU and the third party shall provide that the third party prominently discloses that secondary commercial purpose to the customer and secures the customer's consent to the use of his or her data for that secondary commercial purpose prior to the use of the data.

**D. DATA PROTECTION.**

(1) SCWU shall use reasonable security procedures and practices to protect a customer's unencrypted consumption data from unauthorized access, destruction, use, modification, disclosure, and to prohibit the use of the data for a secondary commercial purpose not related to the primary purpose of the contract without the customer's consent.

**E. EXCEPTIONS TO SECTIONS A THROUGH D.**

(1) This section shall not preclude SCWU from disclosing aggregated data for analysis, reporting, or program management.

(2) This section shall not preclude SCWU from disclosing customer data to a third party for system, grid, or operational needs, or the implementation of demand response, energy management, or energy efficiency programs, or for fraud prevention purposes, provided that SCWU has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal identifying information contained in the customer data from unauthorized access, destruction, use, modification, or disclosure, and prohibits the use of the data for a secondary commercial purpose not related to the primary purpose of the contract without the customer's prior consent to that use.

- (3) This section shall not preclude SCWU from disclosing customer data in the course of its operations:
- (a) Where necessary to provide safe and reliable service;
  - (b) As required or permitted under state or federal law or regulation or by an Order of the Commission;
  - (c) Including disclosures pursuant to and permitted by the Fair Credit Reporting Act Section 1681 et seq., Title 15 of the United States Code including for purposes of furnishing account and payment history information to and procuring consumer reports from a consumer reporting agency as defined by 15 U.S.C. Section 1681;
  - (d) Upon valid request from law enforcement;
  - (e) To respond to an emergency;
  - (f) To respond to service interruption reports or service quality issues;
  - (g) To restore power after a storm or other disruption;
  - (h) To respond to customers' requests for line locations, installation or repair of streetlights, support for construction or tree trimming/removal by customer, or other service orders or requests;
  - (i) To inform customers as to tree trimming/vegetation control plans and schedules;
  - (j) To respond to claims for property damage by the customer resulting from tree trimming/vegetation control or public utility construction;
  - (k) To respond to customer complaints;
  - (l) To protect the health or welfare of the customer or to prevent damage to the customer's property;
  - (m) To assist the customer in obtaining assistance from social services, community action, or charitable agencies;
  - (n) To perform credit checks or review payment history where customer deposits might otherwise be required or retained;
  - (o) Where circumstances require prompt disclosure of specific information to protect customers' interests or meet customers' reasonable customer service expectations; or
  - (p) This section shall not preclude SCWU from, in its provision of regulated public utility service, disclosing customer data to a third party, consistent with SCWU's most recently approved Code of Conduct, to the extent necessary for the third party to provide goods or services to SCWU and upon written agreement by that third party to protect the confidentiality of such customer data.

(4) Nothing in this section precludes SCWU from advising a municipality when service is disconnected.

#### **F. DISCLOSURE BY CUSTOMER.**

(1) If a customer discloses or authorizes SCWU to disclose his or her customer data to a third party, SCWU shall not be responsible for the security of that data, or its use or misuse.



## **G. ADDITIONAL GUIDELINES.**

(1) Customer Notice and Awareness: SCWU publishes its privacy practices on its public-facing website at <https://www.swwc.com/privacy/>.

(2) Customer Choice and Consent: SCWU allows customers to access and maintain their personal information through SCWU's online customer portal, contacting one of SCWU's customer service representatives via telephone, or by visiting one of SCWU's local branch offices.

(3) Customer Data Access: Please refer to SCWU's privacy policy for details regarding collection of personal information and the use and processing of collected information.

(4) Data Quality and Security Procedures and Measures: SCWU aggregates and anonymizes customer data for internal or external reporting, unless information is specifically requested for customer issue resolution.

(5) Public Utility Accountability and Auditing: SCWU has a formalized incident response plan as it relates to reporting of unauthorized data disclosures. All SCWU employees are given annual training on cybersecurity leading practices and are tested on cybersecurity hygiene on a regular basis. SCWU monitors employees for adherence to cybersecurity policies and procedures and takes corrective actions as necessary.

(6) Frequency of Notice to Customers: SCWU publishes its privacy policy on its public-facing website, and notice is provided to customers when they initiate registration for an online account.

(7) Due Diligence Exercised When Sharing Customer Data with Third Parties: SCWU takes contractual and procedural measures to engage with trusted third parties and limit or minimize the use of customer data where possible. Third parties that access or handle customer data are provided guidelines on secure practices in managing customer data and adequate access controls are implemented to monitor and limit access.